

Date: 18/07/2018

To,
BSE Limited
P.J.Towers, Dalal Street,
Mumbai - 400 001

Scrip Code: 505509

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East),
Mumbai- 400 051
Scrip Code: RESPONIND

Sub: Press Release- Financial Result

Dear Sirs,

We are pleased to enclose a copy of the press release on the Unaudited Financial Result of the Company for the quarter ended 30 June, 2018.

The above is for your information and records.

Thanking You

Yours faithfully,
For **Responsive Industries Limited**



Ruchi Jaiswal
Company Secretary & Compliance Officer



Encl: as above

PRESS RELEASE

Responsive Industries Limited
Q1 FY19 Results

**PAT increased by 5.66 times to Rs 16.3 crore on YoY basis
EBITDA Margin improved significantly to 20.40% led by
increase in share of high margin & high value-added
products**

Mumbai, July 18, 2018: Responsive Industries Ltd., a leading Vinyl Flooring and Synthetic Leather manufacturer, has declared its standalone unaudited financial results for the quarter ended June, 2018.

Financial Highlights:

- Total revenues were at Rs 217.8 crore in Q1FY19 as against Rs 398.9 crore in Q1FY18, de-grown on account of discontinuation of low margin flooring business
- EBIDTA was at Rs 44.4 crore in Q1FY19 as against Rs 30.8 crore in Q1FY18, grown by 44% on YoY basis
- EBITDA margin has increased to 20.4% in Q1FY19 as compared to 7.7% in Q1FY18, grown by 1270 basis points
- Profit after tax (PAT) was at Rs 16.3 crore in Q1FY19, as against Rs 2.9 crore in Q1FY18, registered a significant growth of 5.66 times

Business Highlights

- As a part of our business strategy in the direction of significant improvement in business model through shutdown of economical flooring segment, there is a decline in revenues in Q1FY19.
- However as the low margin segment is getting replaced with high margin products like Luxury Vinyl Tiles and Sports flooring, there has been a significant improvement in EBIDTA margins during the quarter.
- Net profit for Q1FY19 increased by 5.6 times on YoY basis led by higher margins and low depreciation & interest costs



Business highlights:

- Modernisation of railways by way of upgrading flooring and seat covers offers tremendous opportunities for us. Currently, Responsive supplies large share of railways requirement. The company has started receiving orders for its newly launched products under resilient flooring segment
- Setting up overseas facility in UAE with an investment of \$ 100 million in three phases, for catering to the Luxury Vinyl Tile (LVT) needs of USA and European markets
- Company launched Luxury Vinyl Tiles, which is going to change the wooden flooring market in the country. This is complete replacement to wooden flooring and it has similar qualities of wooden flooring like sound, look and feel of the flooring and doesn't have the problems of wooden flooring like water and pest related problems

Industry Highlights

- India is a rapidly growing market for vinyl flooring and slated to go from $\leq 1\%$ of overall use to 1-2% in near future.
- Main demand drivers for Vinyl Flooring are healthcare, education, and sports infrastructure which are rapidly adopting this as de-facto solution.
- There is a large scale adoption of vinyl flooring in both private sector and public sector hospitals.
- In Education sector, there is a huge demand for public schools infrastructure in India.
- There is huge demand for vinyl flooring in transportation segment too, as the Indian railways and large number of bus body builders are in urgent need of expansion and modernization.

Commenting on the results, **Mr. Rishabh Agarwal, Managing Director**, said, "We are very happy to deliver significantly better operational performance after going through a strategic change in our business model towards high value-added products. The discontinuation of low margin vinyl flooring segment was a great decision for the company as it has freed up the capacities at the plant and has set the stage for rapid profitability growth for the years to come.

We believe that the margins for the product are sustainable. We are confident of achieving better performance in the years to come"



About the Company:

Responsive Industries Ltd. is a leading global manufacturer of polyvinyl chloride (PVC) based products. The company is among the leading four producers of vinyl flooring internationally and the largest Indian producer of PVC flooring and synthetic leather cloth. Responsive serves multiple industries like healthcare, hospitality, transportation, IT and telecom, retail, education, sports infrastructure and real estate. It has sales to 65 countries and has a wide network of over 300 retailers spread across India

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

